

Minutes of the Work Meeting of the Board of Commissioners, Carbon County, State of Utah, held January 6, 2016 at the Courthouse Building, Price, Utah, commencing at 3:00 p.m.

Those present: Jae Potter, Commission Chair
Casey Hopes, Commissioner
Jake Mellor, Commissioner

Also present: Seth Oveson, Clerk/Auditor
Lori Perez, Deputy Clerk
Christian Bryner, Attorney
Senator Ralph Okerlund, Executive Director, Six Counties Infrastructure Coalition
Kathy Hanna Smith, Price City

Clerk's Certificate of Compliance with Open Meeting Law was filed.

Commissioner Potter welcomed everyone to the Work Meeting. The meeting began at 3:06 p.m. .

1) Update from the Six County Infrastructure Coalition – Senator Ralph Okerlund

Director Okerlund wanted to touch basis with the County and let the Commission know where the Coalition is at. It's been a little over a year since the Coalition began functioning. CIB money has been appropriated for administration purposes and to complete a special study that will be used to advance projects that are good for the six county region. Director Okerlund was hired by the Coalition in March 2015 to be the executive director. The goals were to get the organization up and running, to get everyone pulling together and to start setting project goals.

Jones and DeMille Engineering were hired as consultants to do a special study of the possibilities for projects that would help with economic development in the six county area. Jones and DeMille are looking at potential corridors and special projects that help planning for ten to twenty years. They are looking at projects that could move quickly, which projects have medium terms and some long term projects. They have looked extensively at rights-of-way, corridors and what other projects may be available to the Coalition.

The original goals were to try and get a project ready to go within a few years. Director Okerlund said the Coalition is way ahead of schedule and already has one project, the Bookcliffs Transmission Project in Duchesne and Uintah Counties, which has CIB funding in place. Attorney Eric Johnson is working on the legal requirements needed, how they would work with FERC (Federal Energy Regulatory Commission) and working out the details with Moon Lake Electric, Rocky Mountain Power and Deseret GT. There should be agreements in place over the next couple of months and construction can begin. It could become a much bigger project. Right now it's a small project at 1.6 million dollars and it is anticipated to become a 30 million dollar project. Funding can come from Federal funds and potential private partners and the plan is to continue to electrify the oil and gas fields in the Uintah Basin. This will clean up the air and be a good, safe and secure revenue source for the Coalition for a long time.

It has been amazing on how many people are interested in the Coalition since it was formed. All Director Okerlund has heard from East Coast investors to big utility companies, is why hadn't they started looking at corridors twenty years ago so that everyone is working together. They like this idea, what is being done and praise the commissioners for the concept.

Another potential project coming to the Coalition in the near future completed by Parsons Brinkerhoff's, is the Grand County route and extension of Seep Ridge Road. Director Okerlund hopes it will help Grand County see how important it is to be a part of the Coalition. The Coalition is not a single project but is cooperating for the next twenty to thirty years in order to have the best economic opportunities for Eastern Utah. The Coalition can help enhance tourism in the region and diversify the economy.

Director Okerlund is excited about the process and the possibilities of the Coalition. He would like to hear the commissioner's thoughts and what the Coalition can start working on for Carbon County and the region.

Commissioner Potter said that when the Coalition was formed, the goal was to increase representation in the State government. Eastern Utah has the ability to add significantly to the economic value of the State and to spread the influence that rural Utah is a viable part of the State and that the energy producing counties

should have a say in what goes on. The corridors are very valuable and not knowing where existing utilities and BLM right of ways are becomes very critical. This is especially important from a CIB standpoint because some funding is being spent but not enough to get ahead. Having the chance to put onto paper a full spectrum of possibilities, knowing where the resources are, where the corridors are, what the potential is and planning far enough ahead in order to not miss opportunities. There will be a variety of projects that come to the Coalition. From a CIB board standpoint projects should be financially viable.

Commissioner Potter continued saying the pipeline project is valuable in order to get three or four hundred trucks off of the roads. Sixty thousand barrels of oil go to Salt Lake every day and the remainder comes to the Carbon County load out. UDOT claims that one double tanker is equivalent of five thousand cars. The pipeline will save wear on the roads and improve the air. We would like to have a partnership with that but we have to rely on industry to decide if it's feasible. The same thing applies to the bulk terminal in California. Before money can be spent on a project it has to be viable. We are looking for those kinds of attractions and feasibility to bring to the Coalition.

Commissioner Potter expressed his appreciation to Director Okerlund for his work on this side of the State and pulling the Coalition together. Commissioner Potter asked about the timing on the electrical project and how close it is to starting.

Director Okerlund said Attorney Eric Johnson says that they are really close. The engineering is done on the two mile segment. They will put out an RFQ or RFP, probably both, and open it for bid. There should be a couple of companies who are interested in the project, especially Moon Lake because of the service area. Once the two mile segment is done, they have already started working on the financing and how to move on to the bigger phase and complete the entire twenty-four miles. There will be some spider transmission lines going out and that may take more time. It's probably five years to completion. It is viable and lucrative and will allow the Coalition to finance future projects.

Commissioner Potter likes the idea that the money will pay back the CIB loans. The returns will go to the participating counties and can fund other projects. It is a good model.

Director Okerlund said it is important to have political strength and for the counties to be pulling together on these projects. If we have the strength of the Coalition to help with development it will help all of the counties.

Commissioner Hopes asked what long range projects have been identified for Carbon and Emery counties. Director Okerlund said they are just at a point where projects could be prioritized. There are a number of projects in Carbon County. The pipeline, the extension of Ridge Road, there are a number of projects in Emery County for natural gas service. They are already working with Questar and they have changed their policies so that it doesn't cost so much. Senate Bill 216 makes it so a company that wants to locate in an area without infrastructure, can build the infrastructure needed and then apply for up to half of the cost back in tax credits. There are two counties who are looking to use that.

As the Wasatch Front continues to grow and the congestion and dirty air increases, it makes sense to move business to rural parts of the State. There is a better quality of life, great recreation and scenic opportunities. There is money available and there are investors out there, they just want a good sure project to invest in and a solid return. Something that is very safe like a rail line, power project or pipeline.

Kathy Smith asked if the Coalition would be able to look for these kinds of investors. Director Okerlund said absolutely. They are trying to get the word out to the communities that if they have a great project then they can start working on it. This is part of the Coalition's mission. Kathy asked about how to get the word out so that the residents know that projects are being worked on.

Director Okerlund said he would be happy to come and meet with any government groups like city councils.

Kathy said they usually have good media coverage at city council meetings and the people need to hear this story. It is a good story and interesting to hear about. The discussion continued concerning the strength of the Coalition and that things are beginning to happen, the importance of the Jones & DeMille study, releasing information, communicating well and posting information on the Coalition web site.


Director Okerlund is willing to come over to Carbon County at any time.

Commissioner Mellor made a motion to adjourn, Commissioner Hopes seconded. Motion carried.

The meeting adjourned at 3:37 p.m.


Jae Potter, Chairman

ATTEST:


Seth Oveson, County Clerk/Auditor

